

**PRELIMINARY STAFF MEASURE SUMMARY****Joint Committee On Ways and Means****Fiscal:** Fiscal impact issued**Revenue:** Has minimal revenue impact**Action Date:****Action:****Meeting Dates:****Prepared By:** Laurie Byerly, Budget Analyst**WHAT THE MEASURE DOES:**

Requires Oregon State Lottery Commission to hold payment of lottery prizes in excess of \$600 to recipients who have received overpayment of supplemental nutritional assistance, public assistance, or medical assistance and for which a warrant has been issued. Specifies 30-day hold on payments. Requires notification of hold to person and agency. Requires disbursement of prize if agency does not initiate garnishment proceeding within 30-days' time or upon notification from agency that garnishment action will not be initiated. Requires development of data match system. Prioritizes recovery of past-due child support amounts over recovery of overpayments of support. Applies to warrants issued after effective date of Act.

**ISSUES DISCUSSED:**

- Public Assistance Program Integrity Workgroup
- Secretary of State Public Assistance Audit
- Data matching
- Fiscal impact

**EFFECT OF COMMITTEE AMENDMENT:**

Amendment clarifies that recovery of these overpayments through Lottery prize payments is available for those overpayments for which a final order of overpayment has been issued by the Department of Human Services or Oregon Health Authority under the authority provided by ORS Chapter 183, and not just those for which a warrant has been issued under ORS 411.703.

**BACKGROUND:**

If an individual has received an overpayment of some form of public assistance, such as supplemental nutrition assistance (SNAP), or medical care, the Department of Human Services (DHS) or the Oregon Health Authority (OHA) may request repayment of the overpayment. The individual has an opportunity for a contested case hearing. If the payment is not received within the specified time, the agency may issue a warrant for the overpayment. The warrant is the same process as used for recording tax deficiencies and must be recorded with a county clerk. The warrant must include the principal amount of the overpayment, the interest due, and other costs. Upon the proper execution of the warrant, the agency may initiate garnishment proceedings against the individual.

House Bill 2393 requires the Oregon State Lottery Commission to develop and operate a data matching system with OHA and DHS to identify persons who have received overpayment of public assistance and who have won more than \$600 in lottery prizes. The measure requires the Lottery to check the names of all persons claiming prizes over \$600 with the database and to place a hold on any names matching a warrant of overpayment. If a match is made, the payment must be held. The Lottery would then notify the individual and the agency with the warrant. The agency then has 30-days to initiate garnishment, in which case the Lottery will continue to hold the payment, or to

inform the Lottery that it will be not pursue garnishment. At the time of notification of not pursuing garnishment, or at the end of the 30-day period, the Lottery must pay the prize to the person.